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North Reprimanded on Idea To 'Neutralize' Terrorists

CIA Official Angered by Choice of Words

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The Central Intelligence Agency's No. 2 official cursed and reprimanded White House aide Lt. Col. Oliver L. North in early 1984 for secretly proposing that President Reagan authorize planning to "neutralize" terrorists, according to two sources.

Deputy Director of Central Intelligence John McMahon was so angry at North's choice of words—which he feared might be interpreted as presidential approval of assassinations—that he telephoned North in the middle of the night and called him an unprintable name, the sources said.

Whether the wording of the still-classified document was changed is not known. But several officials said the final directive made clear that the president did not condone assassination—which is against federal law—as part of a sweeping "pro-active" covert counterterrorism program drawn up in 1984 in response to the bombing of the Marine barracks in Beirut in October 1983 and other terrorist episodes.

The incident revealed the fierce rivalries and competing bureaucratic interests stirred up by the Reagan administration's determination to act against terrorists before serious damage was done to its political image at home, according to past and current officials. From late 1983 on, terrorism became an obsession at the White House, where memories of Jimmy Carter's political debacle over the U.S. hostages in Iran were still fresh.

"People would mention that Jimmy Carter did better on some of this, and it would just drive them up the wall," a congressional source said.

Others say that the North-McMahon dispute also sheds light on some of the underlying causes of the Iran-contra affair, which apparently grew out of North's efforts to circumvent the traditional bureaucracy by centering sensitive covert operations at the White House and

then implementing them with private contractors and unconventional military or intelligence units outside the command chain.

A congressional source who is familiar with the secret debate over counterterrorism in the administration called McMahon, who left the CIA early last year, a steadying influence in the face of "cockamamie ideas" proposed by others in the administration.

But an administration official, reflecting frustration with bureaucratic inertia, declared, "McMahon was distressed about anything that required the agency to do something about terrorism."

According to sources, McMahon, representing a CIA bureaucracy chastened by revelations of past abuses, was often joined by the Federal Bureau of Investigation and the Joint Chiefs of Staff in urging extreme care in responding to terrorist incidents. Advocating a more activist approach were Secretary of State George P. Shultz, several key CIA officials and Pentagon believers in the capabilities of the "Special Operations Force," made up of the Army's Green Berets and Rangers, the Navy's Seal teams and the Air Force's Special Operations Wing.

As White House concern grew, North was pressing the cause of the activists at the National Security Council.

In mid-1985, North, a Marine lieutenant colonel serving as deputy director of the NSC's office of political-military affairs, became head of an informal intergovernmental group on counterterrorism at the NSC.

In January 1986, Reagan signed an updated intelligence order, called a "finding," which was reviewed by Congress. According to sources, this finding was focused on counterterrorism and did not allow assassination or U.S. training of foreign "hit squads."

On March 8, 1985, a group of Lebanese intelligence personnel and foreigners who had received CIA training under a covert program authorized by Reagan were reported to have set off a massive car bomb in Beirut that killed 80 persons and wounded 200, but missed the main target: a militant Shiite terrorist leader.

According to a congressional source, the incident resulted in the halting of the CIA training program

and the dissolution of a similar group in another country, which apparently was pressing to carry out assassinations.

But the January 1986 presidential directive did allow U.S. agencies a much more activist approach. According to one source, Congress "gulped" when it saw the directive but ultimately accepted it because of widespread alarm about terrorism.

Among other things, as reported Friday by The Wall Street Journal, the directive allowed the CIA to abduct suspected terrorists abroad and bring them to the United States for trial. Sources said Shultz and his legal adviser, Abraham D. Sofaer, were leading advocates of such abductions, if based on proper indictments and warrants and if they were feasible for "U.S. resources," such as commando units.

Some critics, however, argued that authorizing such behavior was not thoroughly considered. "In a place like Beirut, the Delta Force would be just another group of cowboys on the street," said Sen. Patrick J. Leahy (D-Vt.), former ranking minority member of the Senate Select Committee on Intelligence.

The North group became the focal point within the government for devising tactics for penetrating and disrupting terrorist networks and for planning preventive or retaliatory strikes against them. Among the ideas discussed were preemptive strikes against terrorists, slipping faulty weapons or ammunition into terrorist arms caches and disrupting the travel of known terrorists.

At the same time that this "pro-active" approach was being developed, North was playing a central role in arranging the shipment of U.S. arms to Iran as ransom for American hostages held by pro-Iranian extremists in Lebanon.

At least two members of North's counterterrorism group had detailed knowledge of this program, according to sources. One was Duane (Dewey) Clarridge, head of the counterterrorism section of the CIA. The other was then-deputy assistant secretary of defense Noel Koch, who represented the Pentagon on the North group until May 1986.

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North approached Clarridge in November 1985 and asked him to help arrange a plane to move what he called "oil drilling equipment" from Israel to Iran. Several days later, McMahon learned of the covert program, which actually involved U.S. arms, and ordered a halt to CIA support until the president signed a directive authorizing the covert program.

Koch, according to the recently released report of the Senate Select Committee on Intelligence, was present at a White House meeting in February 1986 attended by North and two CIA officials, at which arms sales to Iran were discussed.

Other members of the counterterrorism group representing the Federal Bureau of Investigation, the State Department and the Joint Chiefs of Staff are reported to have had only spotty information about the arms sale program, which had been vigorously opposed by Shultz and Defense Secretary Caspar W. Weinberger.

North was fired from the NSC last Nov. 25 following disclosures of his alleged role in diverting funds from the U.S. arms sales to Iran to aid the contras fighting the government of Nicaragua.

What the NSC counterterrorism group did and how it did it are two of the most closely guarded secrets in the U.S. government. The January 1986 presidential directive on counterterrorism is still in effect. Several sources said last week that the quality of intelligence about terrorists has improved. Others say that the NSC group was an effective team that filtered out many of the "far out" ideas that were proposed to it.

However, congressional investigators are expected to examine the extent to which North may have secretly used his counterterrorism activities to support other, more closely held covert activities known only to him, then-national security adviser John M. Poindexter and a few others.

Through allies in the CIA and the Pentagon, North had access to unconventional units and networks, some of which were under government command and others of which were private contractors.

Assistant Secretary of Defense Richard L. Armitage, who replaced Koch on the NSC group in May

1986, is in charge of the Special Operations Force, which includes the units that make up the country's main antiterrorist commando unit, the Delta Force, based at Fort Bragg, N.C.

Many of the principal figures in the Iran-contra investigation have backgrounds in special operations, and several, such as retired major general Richard V. Secord, have a background in counterterrorism, having been involved in the planning of an Iranian hostage rescue scheme in 1980 that was never implemented.

Sources have revealed that the counterterrorism program has employed the services of the Pentagon's covert unit, set up during the 1980 Iran crisis, called the Intelligence Support Activity.

The Activity, as the ISA is called in the intelligence community, is a highly classified unit whose several hundred members operate under cover. What role the unit may have had in such counterterrorist actions as last April's raid on Libya has not been revealed.

The Iran-contra affair arose at a time when there was a strong movement in Congress to strengthen the Pentagon's counterterrorism role, over the objections of the Joint Chiefs of Staff. Similarly, the Reagan administration was pushing for a more aggressive program to fight terrorists at a time when CIA reservations remained strong.

While some Pentagon officials have argued for authority to "take out" known terrorists, CIA officials who were in the Vietnam war have been strongly opposed to the use of "hit squads." These officials believe the use of hit squads had a corrosive effect on CIA morale and performance in Southeast Asia. "We've been down that road before, and there's no way we'll do it again," an agency official told The Wall Street Journal in 1984.